Name: _____ Date: _____ Class: _____

Choosing how to get paid

When deciding how to distribute wages, employers can choose how they'll pay you (payment method) and how often you'll get paid (payment schedule).

Common payment methods are direct deposit, paper check, cash, or prepaid card. Common payment schedules – also called pay periods – range from weekly to monthly. Understanding the similarities and differences of these methods and pay periods can help you manage your wages and budget your money.

Instructions

1. Compare and contrast different methods and pay periods for getting paid.

2. Write questions or thoughts you may have about each method and pay period.

3. Participate in a poll where you choose your preferred payment method and pay period, both now and when you're an adult. Discuss your choices with classmates.

COMMON PAYMENT METHODS

Method	Features	Questions or thoughts
Cash Paper or coin money minted by the U.S. government	- Can spend anywhere - Easy to access - May be lost or stolen - More difficult to track spending for taxes or budgeting - Typically can't pay bills with cash	
Direct deposit Money electronically sent to your bank account or credit union account	- No risk of loss or theft - Usually available immediately - Access funds by using a debit or ATM card or by writing a check - No fees to cash checks - Can split deposit between checking and savings accounts	

Method	Features	Questions or thoughts
Paper check A physical check given to you	▪ Can cash or deposit into savings or checking account ▪ Must be deposited or cashed before you can use the money ▪ May need a bank account to deposit or cash it (or pay a fee to cash it) ▪ After depositing, may have to wait a few days until check clears to access funds ▪ If lost or stolen, may be cancelled and reissued	
Prepaid card A card with a preset balance that you can charge against	▪ Can use like a gift card or debit card ▪ Has some consumer protections in case of error or theft ▪ May not have the same protections as checking and savings accounts (e.g., for unauthorized transfers or other errors) ▪ May lose money to fees for use or inactivity ▪ Must go to an ATM (could pay a fee) or get cash back at a store to access your money ▪ May have limits on how many times a day you can use the card	

While you may be able to choose the payment method you prefer, it's less likely you'll get to choose how often you get paid. Still, it's helpful to know the most common pay periods employers use for paychecks so you can think about how each might affect your spending and saving habits.

COMMON PAY PERIODS

Pay period	No. of payments per year	Description	Questions or thoughts
Weekly	52	Employees are paid every week, usually on the same day.	
Biweekly	26	Employees are paid every two weeks – for example, every other Friday.	
Bimonthly	24	Employees are paid twice each month, usually on the same days – for example, on the 15th and 30th.	
Monthly	12	Employees are paid once each month, usually on the same day.	